

# Memorandum

**Date :** October 22, 2001  
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**To :** Robert Pernel, Commissioner and Committee Presiding Member **File:** [Potrero\\_SR8.doc](#)  
William J. Keese, Chariman and Committee Associate Member

**From :** [California Energy Commission](#) - Marc Pryor  
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**Subject :** **POTRERO POWER PLANT UNIT 7 PROJECT (00-AFC-4) STATUS REPORT NO. 8**

## PROJECT MANAGEMENT

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Kevin Kennedy and I will continue sharing the Project Manager duties because of the continuing possibility that I may again be recalled to active duty. This will allow for a smooth transition should I be recalled.

## SCHEDULE

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Following the Committee Status Conference held in San Francisco on August 13, 2001, the Committee issued an Interim Scheduling Order on August 24 that requires Staff to file its Final Staff Assessment (FSA) by October 31, 2001. Staff is continuing to work on completing its analysis of the project but it no longer expects to meet the October 31 date. The Final Determination of Compliance (FDOC), the applicant's biological resources mitigation plan, and a new draft National Pollution Discharge Eliminations System (NPDES) permit are needed for staff to complete and issue its FSA. In addition, due to concerns expressed by both the California Department of Fish and Game (CDFG) and National Marine Fisheries Service (NMFS) regarding thermal impacts of the cooling water discharge system on salmonid species, a Biological Opinion may need to be issued by NMFS.

Staff will need 30 days to complete its FSA from the date of filing with the Docket Unit of the most-delayed product from those identified below.

## ISSUES

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### **AIR QUALITY**

As noted in Status Report 7, Bay Area Air Quality Management District (BAAQMD) staff expected to release the Final Determination of Compliance (FDOC) in mid-October. According to BAAQMD staff, the FDOC is undergoing internal review, however, the timeframe for issuance is unknown.

## ***SOIL AND WATER RESOURCES / AQUATIC BIOLOGICAL RESOURCES***

### **NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT**

According to the San Francisco Regional Water Quality Control Board (J. Huang, 10/15/01), the draft NPDES permit that was issued this summer has been withdrawn and will be reissued after the the Board's staff can address verbal comments that were made by the CDFG and NMFS on the draft permit. Both CDFG and NMFS are expected to provide the regional board with written comments on October 22. Without a draft NPDES permit that provides specific information on Board requirements, staff cannot complete the soil and water resources section of the FSA. The revised draft is not anticipated prior to late-November.

### **BIOLOGICAL OPINION**

The NMFS will be requiring either an informal or a formal Section 7. If NMFS determines that potential impacts to salmonid species requires the preparation of a Biological Opinion, the timeline for issuance of the FSA would become even more uncertain. The NMFS has not informed Energy Commission staff when the determination whether a Biological Opinion is necessary will be announced.

If a Biological Opinion is needed, certain actions must be taken. First, the applicant must submit a Biological Assessment to NMFS. Staff cannot speculate how long the applicant would need to prepare the assessment package. Second, NMFS would have 30 days in which to determine whether the assessment was complete. If the package is not complete, the applicant would have to revise and resubmit. Once the package is complete, NMFS would have 135 days to produce the Biological Opinion. However, past experience has shown that opinions take longer than the 135 day timeframe.

Energy Commission staff would need to have at least a draft of the Biological Opinion in order to complete its FSA. Key to staff's ability to complete its FSA is our "comfort level" with what will be in the draft opinion.

## ***PORT AUTHORITY ACCESS AGREEMENTS***

The proposed project requires agreements with the Port Authority for cooling water discharge structures and the transmission line route to the Hunters Point Substation. Although the applicant has expressed its belief that the latter is no longer a part of the proposed project because it will coordinate installation within a single trench with Hetch-Hetchy and others, staff believes this is too speculative at this time. Therefore, staff continues to evaluate the proposed project with the Hunters Point transmission line as a part of the project.

### ***STAFF'S CONTINUING WORK***

Staff is conducting a study of power plant cooling options as potential alternatives to the applicant's proposed use of once-through cooling using bay waters. This study is in the draft stage and awaits information on air quality, biological resources, water resources and land use. With regard to land use, one of the alternatives includes supply and return reclaim water pipelines from and to the City of San Francisco's nearby wastewater treatment plant. Staff must still ascertain whether the potential route will require access agreements with the City and/or Port Authority. Staff will include the cooling alternatives study in its FSA.

Staff continues to work and coordinate with other agencies in order to keep the process moving forward.

cc: Potrero Power Plant Unit 7 Project POS list (includes Bio AWG)  
Docket